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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 000475

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TAGS: PGOV PREL ECON EAGR ETRD TW

SUBJECT: CHAIRMAN BURGARDT AND LEGISLATIVE SPEAKER WANG JIN-PYNG DISCUSS POLITICAL AND BILATERAL ISSUES

Classified By: Director Stephen M. Young,
Reason(s): 1.4 (B/D).

¶1. (C) Summary: The U.S. is Taiwan's most important friend, ally, and democratic role model, Legislative Yuan (LY) Speaker Wang Jin-pyng (KMT) told AIT Chairman Burghardt on March 29. Taiwan will continue to rely on U.S. support, particularly defense assistance, under the new Ma administration. Wang urged the U.S. to allow Ma to visit before his inauguration, and expressed appreciation for the U.S. plan to send a high-level delegation to Ma's inauguration on May 20. Wang pledged to emphasize a spirit of compromise in the KMT-dominated LY. He suggested that as long as U.S. beef products meet applicable health standards, the LY would not object to President Chen lifting restrictions on U.S. beef imports. U.S. pork products, however, will face stiffer resistance from legislators, due to pressure from Taiwan's domestic pork producers. End Summary.

Taiwan Needs Continued U.S. Support

¶2. (C) In an 80-minute meeting with LY Speaker Wang Jin-pyng on March 29, AIT Chairman Burghardt offered congratulations to Taiwan for holding a free and fair election, and for the prospect of a second peaceful transition of power. The U.S. looks forward to Ma's presidency as an opportunity to improve U.S.-Taiwan relations, and to discuss issues of mutual concern, including more stable and productive cross-Strait relations. Wang thanked the U.S. for consistently supporting Taiwan's democracy. The U.S. is Taiwan's most important partner and ally, and Taiwan has learned much from the U.S. model of democratic government. Taiwan will need U.S. support in confronting various future challenges, said Wang, especially in maintaining a strong defense. The PRC military advantage over Taiwan continues to grow, and Taiwan cannot expect fair treatment from the PRC unless Taiwan is capable of defending itself.

Wang Urges U.S. Flexibility on Ma Visit

¶3. (C) Wang asked whether it would be possible for Ma Ying-jeou to visit the U.S. before his inauguration on May 20. Allowing Ma to visit the U.S. would speed progress on cross-Strait relations, argued Wang, and would give Ma a

valuable chance to build and strengthen relationships with U.S. decision-makers. Burghardt informed Wang that the matter was still under discussion in Washington. U.S.-Taiwan relations have enjoyed more flexibility in recent years, Burghardt noted, but the relationship remains governed by a thirty year-old framework that sometimes restricts both sides' freedom of movement. Burghardt assured Wang that objections from Beijing would play no part in Washington's decision-making process; rather, the driving concern was to avoid complicating U.S.-China-Taiwan relations by acting in a way that Beijing would perceive as a "radical departure" from past practices. Wang expressed the hope the U.S. would be "flexible" in allowing Ma's visit; after all, he quipped, the U.S. "is not the Chinese Communist Party." Burghardt promised to pass Wang's comments on to Washington.

¶4. (C) Wang also asked Burghardt about the U.S. delegation to Ma Ying-jeou's inauguration on May 20. Burghardt assured Wang that the U.S. planned to send a "high-level" delegation, led by someone close to President Bush. Wang expressed appreciation for the anticipated show of U.S. support for the new Ma administration.

Cross-Strait Peace is Essential

¶5. (C) According to Wang, during the eight years of DPP government, Taiwan has become increasingly marginalized from the PRC and other Asian markets, government debt has grown sharply, and Taiwan society has become increasingly polarized along ethnic and political lines. Worst of all, Wang added, the wealth gap between Taiwan's rich and poor has continued to grow. For government revenues to increase, Taiwan must

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become more attractive to foreign and domestic investors. The only way to accomplish this goal is through liberalized trade with China, which will only be possible if cross-Strait relations remain peaceful.

Wang Pledges Responsible KMT Majority

¶6. (C) The KMT is well aware of the image problem of its "one party" dominance, said Wang. Wang told Burghardt Ma had asked for his opinion on how to best deal with the DPP minority. Wang told Ma the DPP may hold just a few seats in the LY, but that did not mean the KMT could ignore DPP objections. If frustrated in the LY, the DPP could resort to street protests and even violence to achieve its political objectives, Wang cautioned. He pledged that the KMT would use its LY majority responsibly, eschewing extreme rhetoric in favor of interparty negotiations to resolve disputes with the DPP.

U.S. Beef and Pork Imports: Two Different Animals

¶7. (C) Burghardt told Wang that President Chen had promised to lift restrictions on importation of U.S. beef before May 20, if President-elect Ma and the KMT-controlled LY would support the action. As a "caretaker president," Burghardt explained, Chen is hoping to avoid controversy. It would seem to be in Ma's interest to resolve the beef issue before assuming office, Burghardt suggested; otherwise, the question will keep coming up. Taiwan has no domestic beef industry, Wang replied, and already imports beef from Australia, the U.S., and New Zealand. With no domestic industry to protect, the LY is principally concerned with the safety of imported beef. If U.S. beef producers can show their products meet applicable sanitary requirements, the LY will raise no objections.

¶8. (C) Convincing the LY to sign off on U.S. pork imports won't be as easy, cautioned Wang. Pork producers are a large and important part of Taiwan's agricultural sector, and

opposition to U.S. imports remains intense. Wang urged the U.S. to "understand and respect" the "political sensitivity" associated with liberalizing the Taiwan market to U.S. pork imports. Burghardt replied that as a member of the WTO, Taiwan should apply internationally recognized food safety standards. In doing so, Burghardt concluded, Taiwan will enhance its international reputation as a free and fair market. Wang promised to raise the issue with Ma and Siew during the first week of April.

President Chen Promises Smooth Transition

¶9. (C) Wang told Burghardt he had met with President Chen the day before, at Chen's request, to discuss the presidential transition and other pressing issues. According to Wang, Chen promised the transition would be "open and smooth." Chen also expressed hope Ma would condition any dialogue with China on the removal of the PRC missiles currently aimed at Taiwan. Chen is concerned, said Wang, that Beijing will stonewall Ma just like it did with Chen himself. During their meeting, Chen also insisted that inflation was not as bad as the KMT had portrayed during the presidential campaign, and that Chen's administration had already put measures into place to mitigate the problem. According to Wang, Chen also complained that DPP presidential candidate Frank Hsieh had done a "poor" job in his campaign, and had only himself to blame for his defeat.

LY Staff: Room to Improve

¶10. (C) The LY does not have a corps of professional staffers like the US Congress, conceded Wang, but it does have the Organic Law and Statute Bureau and the Research and Budget Center, two entities which Wang said have helped standardize and improve the legislative process. Also, Wang noted, legislators in the newly downsized LY are authorized to hire up to 14 legislative assistants, four more than under the old

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system. Taiwan would welcome U.S. advice on how to further professionalize its legislative staffing system, Wang added.

Comment

¶11. (C) Speaker Wang represents an important power base that newly-elected Ma has to treat gingerly. Thus far the KMT has successfully maintained the party unity that helped them sweep LY and presidential elections this year. The division of spoils that is starting now is bound to strain that unity, and Wang will be one figure to watch as this process plays itself out.

YOUNG